

Union Calendar No. 226

109TH CONGRESS
2D SESSION

H. R. 282

[Report No. 109–417]

To hold the current regime in Iran accountable for its threatening behavior
and to support a transition to democracy in Iran.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 6, 2005

Ms. ROS-LEHTINEN (for herself, Mr. LANTOS, Mr. CHABOT, Mr. BERMAN, Mr. CANTOR, Mr. ACKERMAN, Mr. ANDREWS, Mr. BACHUS, Ms. BERKLEY, Mrs. BIGGERT, Mr. BOEHLERT, Mr. BURTON of Indiana, Mr. CHANDLER, Mr. COX, Mr. CROWLEY, Mrs. JO ANN DAVIS of Virginia, Mr. LINCOLN DIAZ-BALART of Florida, Mr. MARIO DIAZ-BALART of Florida, Mr. ENGEL, Mr. FALEOMAVAEGA, Mr. FOLEY, Mr. GARRETT of New Jersey, Mr. GREEN of Wisconsin, Ms. HARRIS, Mr. ISRAEL, Mr. JOHNSON of Illinois, Mr. KIRK, Mr. LARSEN of Washington, Mr. McCOTTER, Mr. MENENDEZ, Mr. MICA, Mrs. MYRICK, Mr. NADLER, Mr. NORWOOD, Mr. NUNES, Mr. PENCE, Mr. PLATTS, Mr. PORTER, Mr. ROTHMAN, Mr. ROHRABACHER, Mr. RYAN of Wisconsin, Mr. SAXTON, Mr. SHERMAN, Mr. SHIMKUS, Mr. SMITH of New Jersey, Mr. SOUDER, Mr. SULLIVAN, Mr. TANCREDO, Mr. WELLER, Mr. WEXLER, and Mr. WILSON of South Carolina) introduced the following bill; which was referred to the Committee on International Relations

APRIL 25, 2006

Additional sponsors: Mr. PICKERING, Mr. DOOLITTLE, Mrs. KELLY, Mr. WALSH, Mr. RENZI, Mr. EMANUEL, Mr. LIPINSKI, Mr. GORDON, Mr. DENT, Mr. KLINE, Ms. SCHWARTZ of Pennsylvania, Mr. McCAUL of Texas, Ms. SCHAKOWSKY, Mr. ISSA, Mr. BONILLA, Mr. STEARNS, Mr. McNULTY, Mr. BAKER, Mr. DAVIS of Illinois, Mr. PALLONE, Mr. BUTTERFIELD, Mrs. MILLER of Michigan, Mrs. BONO, Mr. MEEK of Florida, Mr. CLAY, Mr. McHUGH, Mr. WAXMAN, Mr. SHAW, Ms. LORETTA SANCHEZ of California, Mr. MACK, Ms. BEAN, Mr. McHENRY, Mr. LOBIONDO, Mr. SENSENBRENNER, Mr. COLE of Oklahoma, Mrs. MCCARTHY, Mr. BOOZMAN, Mr. CARDOZA, Mr. EDWARDS, Mr. COSTA, Mr. FERGUSON, Mr. JINDAL, Mr. POMBO, Mr. GENE GREEN of Texas, Mr. KUHL

of New York, Mr. HERGER, Mr. MELANCON, Ms. GINNY BROWN-WAITE of Florida, Mr. VAN HOLLEN, Mr. ALEXANDER, Mr. SESSIONS, Mr. CARTER, Mr. SIMPSON, Mr. KNOLLENBERG, Mr. CUELLAR, Mr. GUTIERREZ, Mr. SCOTT of Georgia, Mr. DAVIS of Alabama, Mr. REYNOLDS, Mr. WYNN, Mr. LEWIS of Georgia, Mr. DAVIS of Kentucky, Ms. LINDA T. SÁNCHEZ of California, Mr. BOUSTANY, Mr. BONNER, Mr. BACA, Mr. WEINER, Mr. POE, Mr. TERRY, Ms. WASSERMAN SCHULTZ, Mr. ADERHOLT, Mr. SCHIFF, Mr. BASS, Mr. MICHAUD, Mr. VISCLOSKY, Ms. MATSUI, Mr. ROGERS of Michigan, Mr. DAVIS of Tennessee, Mr. MURPHY, Mr. CUNNINGHAM, Mr. UPTON, Mr. MCCRERY, Mr. WELDON of Florida, Mr. SHAYS, Mr. COBLE, Ms. HART, Mr. INGLIS of South Carolina, Mr. BRADLEY of New Hampshire, Mr. RUSH, Mrs. MALONEY, Mr. FILNER, Mr. KENNEDY of Minnesota, Mr. FITZPATRICK of Pennsylvania, Mrs. DRAKE, Ms. HARMAN, Mr. PRICE of Georgia, Mr. DOYLE, Mr. MILLER of North Carolina, Ms. HERSETH, Mr. EVANS, Mr. HAYES, Mr. GEORGE MILLER of California, Mr. SHADEGG, Mr. MATHESON, Mr. JEFFERSON, Mr. HASTINGS of Florida, Mr. PUTNAM, Mrs. NORTHUP, Mr. KING of Iowa, Mr. BARROW, Miss McMORRIS, Mrs. LOWEY, Mr. CULBERSON, Ms. ESHOO, Mr. HOLT, Mr. LEWIS of California, Mr. BOSWELL, Mr. FORD, Mr. WAMP, Mr. UDALL of Colorado, Mr. PETERSON of Pennsylvania, Mr. CARDIN, Mr. REICHERT, Mr. BOYD, Mr. SKELTON, Mr. BOREN, Mr. PASCRELL, Mrs. NAPOLITANO, Mr. MARSHALL, Mr. HASTINGS of Washington, Mr. HENSARLING, Mr. INSLEE, Mr. BILIRAKIS, Mr. RAMSTAD, Mr. TIBERI, Mr. KIND, Mr. BRADY of Pennsylvania, Ms. SOLIS, Mr. OWENS, Mr. WU, Mr. BISHOP of Georgia, Mr. TURNER, Mr. CONAWAY, Mr. GERLACH, Mr. COSTELLO, Mr. KINGSTON, Mr. REHBERG, Mr. COOPER, Mr. GONZALEZ, Mr. BARRETT of South Carolina, Mr. BROWN of South Carolina, Mr. DAVIS of Florida, Ms. SLAUGHTER, Mr. BEAUPREZ, Mr. REYES, Mr. JACKSON of Illinois, Mr. ROGERS of Alabama, Mr. GRIJALVA, Mr. HIGGINS, Mr. MEEKS of New York, Mr. FRANKS of Arizona, Mr. KILDEE, Mr. GINGREY, Mr. HOYER, Mr. YOUNG of Florida, Mr. CLEAVER, Ms. DEGETTE, Mr. CHOCOLA, Mr. SIMMONS, Mr. RANGEL, Mr. FEENEY, Mr. BARTLETT of Maryland, Mr. KELLER, Mr. WICKER, Mr. CRAMER, Mr. LINDER, Mr. THOMPSON of California, Mr. MEEHAN, Mr. HAYWORTH, Ms. FOXX, Mr. SMITH of Texas, Mr. TANNER, Ms. DELAURO, Mr. BERRY, Mrs. MUSGRAVE, Mr. WELDON of Pennsylvania, Mr. ROSS, Ms. WOOLSEY, Mr. HONDA, Mr. MOORE of Kansas, Mr. STRICKLAND, Mr. KENNEDY of Rhode Island, Mr. CARNAHAN, Mr. CUMMINGS, Mr. MARCHANT, Mr. MILLER of Florida, Mrs. CUBIN, Mr. RYUN of Kansas, Mr. GOHMERT, Mr. NEAL of Massachusetts, Mr. GRAVES, Mr. MANZULLO, Mr. LEVIN, Mr. JONES of North Carolina, Ms. PELOSI, Mr. GILCHREST, Mr. SMITH of Washington, Mr. SALAZAR, Mr. DANIEL E. LUNGREN of California, Mr. BURGESS, Mr. LYNCH, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. CLYBURN, Mr. BAIRD, Mr. PEARCE, Mr. AL GREEN of Texas, Mr. LATOURETTE, Mr. FARR, Mr. CANNON, Mr. FRELINGHUYSEN, Mr. RYAN of Ohio, Mr. FORBES, Mr. BISHOP of New York, Mr. RADANOVICH, Mr. SCOTT of Virginia, Ms. CORRINE BROWN of Florida, Mr. CASE, Mrs. EMERSON, Mr. HEFLEY, Mr. CAMP of Michigan, Ms. ZOE LOFGREN of California, Mr. LUCAS, Mr. LEWIS of Kentucky, Mrs. BLACKBURN, Mr. LARSON of Connecticut, Mr. CRENSHAW, Mr. LANGEVIN, Mr. SHUSTER, Mr. SODREL,

Mrs. CAPITO, Mr. GOODE, Mr. HULSHOF, Mr. CALVERT, Mrs. WILSON of New Mexico, Mr. SANDERS, Mr. BROWN of Ohio, Mr. GALLEGLY, Mr. AKIN, Mr. ENGLISH of Pennsylvania, Mr. TAYLOR of North Carolina, Mr. LAHOOD, Mr. ALLEN, Mr. TIAHRT, Mr. SCHWARZ of Michigan, Ms. PRYCE of Ohio, Ms. MOORE of Wisconsin, Mr. GIBBONS, Mr. RUPPERSBERGER, Mr. ROGERS of Kentucky, Mr. KING of New York, Ms. BALDWIN, Mr. POMEROY, Ms. JACKSON-LEE of Texas, Mr. NEUGEBAUER, Mr. FORTUÑO, Mr. STUPAK, Mr. FORTENBERRY, Mr. WALDEN of Oregon, Mr. BOEHNER, Mr. WESTMORELAND, Mr. OXLEY, Mr. OTTER, Mrs. DAVIS of California, Mr. FATTAH, Mr. WOLF, Mrs. TAUSCHER, Ms. ROYBAL-ALLARD, Mr. SWEENEY, Mr. MCINTYRE, Mr. HALL, Mr. THOMPSON of Mississippi, Mr. EVERETT, Mr. BISHOP of Utah, Mr. FRANK of Massachusetts, Mrs. JONES of Ohio, Mr. FOSSELLA, Mr. BLUNT, Mr. ETHERIDGE, Mr. HOLDEN, Mr. DEAL of Georgia, Mr. OLVER, Mr. OSBORNE, Mr. PETERSON of Minnesota, Mr. MARKEY, Mr. PAYNE, Mr. DICKS, Mr. PASTOR, Mr. CAMPBELL of California, Mr. UDALL of New Mexico, Mrs. SCHMIDT, Mr. NUSSLE, Ms. LEE, Mr. ROYCE, Mr. TOWNS, Mr. McKEON, Ms. BORDALLO, Mr. GARY G. MILLER of California, Mr. TOM DAVIS of Virginia, Mr. YOUNG of Alaska, and Ms. WATSON

APRIL 25, 2006

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italic*]

[For text of introduced bill, see copy of bill as introduced on January 6, 2005]

A BILL

To hold the current regime in Iran accountable for its threatening behavior and to support a transition to democracy in Iran.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 *This Act may be cited as the “Iran Freedom Support*
 5 *Act”.*

1 **SEC. 2. TABLE OF CONTENTS.**

2 *The table of contents for this Act is as follows:*

Sec. 1. Short title

Sec. 2. Table of contents

TITLE I—CODIFICATION OF SANCTIONS AGAINST IRAN

Sec. 101. Codification of sanctions

Sec. 102. Liability of parent companies for violations of sanctions by foreign entities

TITLE II—AMENDMENTS TO THE IRAN AND LIBYA SANCTIONS ACT OF 1996 AND OTHER PROVISIONS RELATED TO INVESTMENT IN IRAN

Sec. 201. Multilateral regime

Sec. 202. Imposition of sanctions

Sec. 203. Termination of sanctions

Sec. 204. Sunset

Sec. 205. Clarification and expansion of definitions

Sec. 206. United States pension plans

Sec. 207. Report by Office of Global Security Risks

Sec. 208. Technical and conforming amendments

TITLE III—DIPLOMATIC EFFORTS TO CURTAIL IRANIAN NUCLEAR PROLIFERATION AND SPONSORSHIP OF INTERNATIONAL TERRORISM

Sec. 301. Diplomatic efforts

Sec. 302. Strengthening the Nuclear Nonproliferation Treaty

TITLE IV—DEMOCRACY IN IRAN

Sec. 401. Declaration of Congress regarding United States policy toward Iran

Sec. 402. Assistance to support democracy in Iran

Sec. 403. Waiver of certain export license requirements

3 **TITLE I—CODIFICATION OF**
4 **SANCTIONS AGAINST IRAN**

5 **SEC. 101. CODIFICATION OF SANCTIONS.**

6 (a) *CODIFICATION OF SANCTIONS.—United States*
7 *sanctions, controls, and regulations with respect to Iran im-*
8 *posed pursuant to Executive Order 12957, Executive Order*
9 *12959, and sections 2 and 3 of Executive Order 13059 (re-*
10 *lating to exports and certain other transactions with Iran)*

1 *as in effect on January 1, 2006, shall remain in effect until*
 2 *the President certifies to the Committee on International*
 3 *Relations of the House of Representatives and the Com-*
 4 *mittee on Foreign Relations of the Senate that the Govern-*
 5 *ment of Iran has verifiably dismantled its weapons of mass*
 6 *destruction programs.*

7 **(b) NO EFFECT ON OTHER SANCTIONS RELATING TO**
 8 **SUPPORT FOR ACTS OF INTERNATIONAL TERRORISM.—**
 9 *Subsection (a) shall have no effect on United States sanc-*
 10 *tions, controls, and regulations relating to a determination*
 11 *under section 6(j)(1)(A) of the Export Administration Act*
 12 *of 1979 (50 U.S.C. App. 2405(j)(1)(A)), section 620A(a) of*
 13 *the Foreign Assistance Act of 1961 (22 U.S.C. 2371(a)), or*
 14 *section 40(d) of the Arms Export Control Act (22 U.S.C.*
 15 *2780(d)) relating to support for acts of international ter-*
 16 *rorism by the Government of Iran, as in effect on January*
 17 *1, 2006.*

18 **SEC. 102. LIABILITY OF PARENT COMPANIES FOR VIOLA-**
 19 **TIONS OF SANCTIONS BY FOREIGN ENTITIES.**

20 **(a) IN GENERAL.—***In any case in which an entity en-*
 21 *gages in an act outside the United States which, if com-*
 22 *mitted in the United States or by a United States person,*
 23 *would violate Executive Order 12959 of May 6, 1995, Exec-*
 24 *utive Order 13059 of August 19, 1997, or any other prohibi-*
 25 *tion on transactions with respect to Iran that is imposed*

1 *under the International Emergency Economic Powers Act*
 2 *(50 U.S.C. 1701 et seq.) and if that entity was created or*
 3 *availed of for the purpose of engaging in such an act, the*
 4 *parent company of that entity shall be subject to the pen-*
 5 *alties for such violation to the same extent as if the parent*
 6 *company had engaged in that act.*

7 (b) *DEFINITIONS.—In this section—*

8 (1) *an entity is a “parent company” of another*
 9 *entity if it owns, directly or indirectly, more than 50*
 10 *percent of the equity interest in that other entity and*
 11 *is a United States person; and*

12 (2) *the term “entity” means a partnership, asso-*
 13 *ciation, trust, joint venture, corporation, or other or-*
 14 *ganization.*

15 ***TITLE II—AMENDMENTS TO THE***
 16 ***IRAN AND LIBYA SANCTIONS***
 17 ***ACT OF 1996 AND OTHER PRO-***
 18 ***VISIONS RELATED TO INVEST-***
 19 ***MENT IN IRAN***

20 ***SEC. 201. MULTILATERAL REGIME.***

21 (a) *REPORTS TO CONGRESS.—Section 4(b) of the Iran*
 22 *and Libya Sanctions Act of 1996 (50 U.S.C. 1701 note)*
 23 *is amended to read as follows:*

24 “(b) *REPORTS TO CONGRESS.—Not later than six*
 25 *months after the date of the enactment of the Iran Freedom*

1 *Support Act and every six months thereafter, the President*
2 *shall submit to the appropriate congressional committees a*
3 *report regarding specific diplomatic efforts undertaken pur-*
4 *suant to subsection (a), the results of those efforts, and a*
5 *description of proposed diplomatic efforts pursuant to such*
6 *subsection. Each report shall include—*

7 “(1) *a list of the countries that have agreed to*
8 *undertake measures to further the objectives of section*
9 *3 with respect to Iran;*

10 “(2) *a description of those measures, including—*

11 “(A) *government actions with respect to*
12 *public or private entities (or their subsidiaries)*
13 *located in their territories, that are engaged in*
14 *Iran;*

15 “(B) *any decisions by the governments of*
16 *these countries to rescind or continue the provi-*
17 *sion of credits, guarantees, or other governmental*
18 *assistance to these entities; and*

19 “(C) *actions taken in international fora to*
20 *further the objectives of section 3;*

21 “(3) *a list of the countries that have not agreed*
22 *to undertake measures to further the objectives of sec-*
23 *tion 3 with respect to Iran, and the reasons therefor;*
24 *and*

1 “(4) a description of any memorandums of un-
 2 derstanding, political understandings, or inter-
 3 national agreements to which the United States has
 4 acceded which affect implementation of this section or
 5 section 5(a).”.

6 (b) *WAIVER*.—Section 4(c) of such Act (50 U.S.C. 1701
 7 note) is amended to read as follows:

8 “(c) *WAIVER*.—

9 “(1) *IN GENERAL*.—The President may, on a
 10 case by case basis, waive for a period of not more
 11 than six months the application of section 5(a) with
 12 respect to a national of a country, if the President
 13 certifies to the appropriate congressional committees
 14 at least 30 days before such waiver is to take effect
 15 that—

16 “(A) such waiver is vital to the national se-
 17 curity interests of the United States; and

18 “(B) the country of the national has under-
 19 taken substantial measures to prevent the acqui-
 20 sition and development of weapons of mass de-
 21 struction by the Government of Iran.

22 “(2) *SUBSEQUENT RENEWAL OF WAIVER*.—If the
 23 President determines that, in accordance with para-
 24 graph (1), such a waiver is appropriate, the President
 25 may, at the conclusion of the period of a waiver

1 under paragraph (1), renew such waiver for subse-
2 quent periods of not more than six months each.”.

3 (c) *INVESTIGATIONS.*—Section 4 of such Act (50 U.S.C.
4 1701 note) is amended by adding at the end the following
5 new subsection:

6 “(f) *INVESTIGATIONS.*—

7 “(1) *IN GENERAL.*—The President shall initiate
8 an investigation into the possible imposition of sanc-
9 tions against a person upon receipt by the United
10 States of credible information indicating that such
11 person is engaged in activity related to investment in
12 Iran as described in section 5(a).

13 “(2) *DETERMINATION AND NOTIFICATION.*—

14 “(A) *IN GENERAL.*—Not later than 180
15 days after an investigation is initiated in ac-
16 cordance with paragraph (1), the President shall
17 determine, pursuant to section 5(a), whether or
18 not to impose sanctions against a person en-
19 gaged in activity related to investment in Iran
20 as described in such section as a result of such
21 activity and shall notify the appropriate con-
22 gressional committees of the basis for such deter-
23 mination.

24 “(B) *EXTENSION.*—If the President is un-
25 able to make a determination under subpara-

1 *graph (A), the President shall notify the appro-*
2 *priate congressional committees and shall extend*
3 *such investigation for a subsequent period, not to*
4 *exceed 180 days, after which the President shall*
5 *make the determination required under such sub-*
6 *paragraph and shall notify the appropriate con-*
7 *gressional committees of the basis for such deter-*
8 *mination in accordance with such subparagraph.*

9 “(3) *DETERMINATIONS REGARDING PENDING IN-*
10 *VESTIGATIONS.*—*Not later than 90 days after the date*
11 *of the enactment of this Act, the President shall, with*
12 *respect to any investigation that was pending as of*
13 *January 1, 2006, concerning a person engaged in ac-*
14 *tivity related to investment in Iran as described in*
15 *section 5(a), determine whether or not to impose sanc-*
16 *tions against such person as a result of such activity*
17 *and shall notify the appropriate congressional com-*
18 *mittees of the basis for such determination.*

19 “(4) *PUBLICATION.*—*Not later than 10 days*
20 *after the President notifies the appropriate congres-*
21 *sional committees under paragraphs (2) and (3), the*
22 *President shall ensure publication in the Federal Reg-*
23 *ister of the identification of the persons against which*
24 *the President has made a determination that the im-*

1 *position of sanctions is appropriate, together with an*
 2 *explanation for such determination.”.*

3 **SEC. 202. IMPOSITION OF SANCTIONS.**

4 *(a) SANCTIONS WITH RESPECT TO DEVELOPMENT OF*
 5 *PETROLEUM RESOURCES.—Section 5(a) of the Iran and*
 6 *Libya Sanctions Act of 1996 (50 U.S.C. 1701 note) is*
 7 *amended—*

8 *(1) in the heading, by striking “TO IRAN” and*
 9 *inserting “TO THE DEVELOPMENT OF PETROLEUM*
 10 *RESOURCES OF IRAN”;*

11 *(2) by striking “(6)” and inserting “(5)”;* and
 12 *(3) by striking “with actual knowledge,”.*

13 *(b) SANCTIONS WITH RESPECT TO DEVELOPMENT OF*
 14 *WEAPONS OF MASS DESTRUCTION OR OTHER MILITARY*
 15 *CAPABILITIES.—Section 5(b) of such Act (50 U.S.C. 1701*
 16 *note) is amended to read as follows:*

17 *“(b) MANDATORY SANCTIONS WITH RESPECT TO DE-*
 18 *VELOPMENT OF WEAPONS OF MASS DESTRUCTION OR*
 19 *OTHER MILITARY CAPABILITIES.—Notwithstanding any*
 20 *other provision of law, the President shall impose two or*
 21 *more of the sanctions described in paragraphs (1) through*
 22 *(5) of section 6 if the President determines that a person*
 23 *has, on or after the date of the enactment of this Act, ex-*
 24 *ported, transferred, or otherwise provided to Iran any*
 25 *goods, services, technology, or other items knowing that the*

1 *provision of such goods, services, technology, or other items*
 2 *would contribute to the ability of Iran to—*

3 *“(1) acquire or develop chemical, biological, or*
 4 *nuclear weapons or related technologies; or*

5 *“(2) acquire or develop destabilizing numbers*
 6 *and types of advanced conventional weapons.”.*

7 *(c) PERSONS AGAINST WHICH THE SANCTIONS ARE*
 8 *TO BE IMPOSED.—Section 5(c)(2) of such Act (50 U.S.C.*
 9 *1701 note) is amended—*

10 *(1) in subparagraph (B), by striking “, with ac-*
 11 *tual knowledge,” and by striking “or” at the end;*

12 *(2) in subparagraph (C), by striking “, with ac-*
 13 *tual knowledge,” and by striking the period at the end*
 14 *and inserting “; or”; and*

15 *(3) by adding after subparagraph (C) the fol-*
 16 *lowing new subparagraph:*

17 *“(D) is a private or government lender, in-*
 18 *surer, underwriter, or guarantor of the person*
 19 *referred to in paragraph (1) if that private or*
 20 *government lender, insurer, underwriter, or*
 21 *guarantor engaged in the activities referred to in*
 22 *paragraph (1).”.*

23 *(d) EFFECTIVE DATE.—The amendments made by this*
 24 *section shall apply with respect to actions taken on or after*
 25 *March 15, 2006.*

1 **SEC. 203. TERMINATION OF SANCTIONS.**

2 *Section 8(a) of the Iran and Libya Sanctions Act of*
 3 *1996 (50 U.S.C. 1701 note) is amended—*

4 *(1) in paragraph (1)(C), by striking “and” at*
 5 *the end;*

6 *(2) in paragraph (2), by striking the period at*
 7 *the end and inserting “; and”; and*

8 *(3) by adding at the end the following new para-*
 9 *graph:*

10 *“(3) poses no significant threat to United States*
 11 *national security, interests, or allies.”.*

12 **SEC. 204. SUNSET.**

13 *Section 13 of the Iran and Libya Sanctions Act of*
 14 *1996 (50 U.S.C. 1701 note) is amended—*

15 *(1) in the section heading, by striking “; SUN-*
 16 *SET”;*

17 *(2) in subsection (a), by striking the subsection*
 18 *designation and heading; and*

19 *(3) by striking subsection (b).*

20 **SEC. 205. CLARIFICATION AND EXPANSION OF DEFINI-**
 21 **TIONS.**

22 *(a) PERSON.—Section 14(14)(B) of the Iran and*
 23 *Libya Sanctions Act of 1996 (50 U.S.C. 1701 note) is*
 24 *amended—*

25 *(1) by inserting after “trust,” the following: “fi-*
 26 *nancial institution, insurer, underwriter, guarantor,*

1 *any other business organization, including any for-*
 2 *ign subsidiaries of the foregoing,”; and*

3 *(2) by inserting before the semicolon the fol-*
 4 *lowing: “, such as an export credit agency”.*

5 *(b) PETROLEUM RESOURCES.—Section 14(15) of the*
 6 *Iran and Libya Sanctions Act of 1996 (50 U.S.C. 1701*
 7 *note) is amended by inserting after “petroleum” the second*
 8 *place it appears, the following: “, petroleum by-products,”.*

9 **SEC. 206. UNITED STATES PENSION PLANS.**

10 *(a) FINDINGS.—Congress finds the following:*

11 *(1) The United States and the international*
 12 *community face no greater threat to their security*
 13 *than the prospect of rogue regimes who support inter-*
 14 *national terrorism obtaining weapons of mass de-*
 15 *struction, and particularly nuclear weapons.*

16 *(2) Iran is the leading state sponsor of inter-*
 17 *national terrorism and is close to achieving nuclear*
 18 *weapons capability but has paid no price for nearly*
 19 *twenty years of deception over its nuclear program.*
 20 *Foreign entities that have invested in Iran’s energy*
 21 *sector, despite Iran’s support of international ter-*
 22 *rorism and its nuclear program, have afforded Iran*
 23 *a free pass while many United States entities have*
 24 *unknowingly invested in those same foreign entities.*

1 (3) *United States investors have a great deal at*
2 *stake in preventing Iran from acquiring nuclear*
3 *weapons.*

4 (4) *United States investors can have considerable*
5 *influence over the commercial decisions of the foreign*
6 *entities in which they have invested.*

7 (b) *PUBLICATION IN FEDERAL REGISTER.*—*Not later*
8 *than six months after the date of the enactment of this Act*
9 *and every six months thereafter, the President shall ensure*
10 *publication in the Federal Register of a list of all United*
11 *States and foreign entities that have invested more than*
12 *\$20,000,000 in Iran’s energy sector between August 5, 1996,*
13 *and the date of such publication. Such list shall include*
14 *an itemization of individual investments of each such enti-*
15 *ty, including the dollar value, intended purpose, and cur-*
16 *rent status of each such investment.*

17 (c) *SENSE OF CONGRESS RELATING TO DIVESTITURE*
18 *FROM IRAN.*—*It is the sense of Congress that, upon publica-*
19 *tion of a list in the relevant Federal Register under sub-*
20 *section (b), managers of United States Government pension*
21 *plans or thrift savings plans, managers of pension plans*
22 *maintained in the private sector by plan sponsors in the*
23 *United States, and managers of mutual funds sold or dis-*
24 *tributed in the United States should immediately initiate*

1 *efforts to divest all investments of such plans or funds in*
2 *any entity included on the list.*

3 (d) *SENSE OF CONGRESS RELATING TO PROHIBITION*
4 *ON FUTURE INVESTMENT.—It is the sense of Congress that,*
5 *upon publication of a list in the relevant Federal Register*
6 *under subsection (b), there should be no future investment*
7 *in any entity included on the list by managers of United*
8 *States Government pension plans or thrift savings plans,*
9 *managers of pension plans maintained in the private sector*
10 *by plan sponsors in the United States, and managers of*
11 *mutual funds sold or distributed in the United States.*

12 (e) *DISCLOSURE TO INVESTORS.—*

13 (1) *IN GENERAL.—Not later than 30 days after*
14 *the date of publication of a list in the relevant Fed-*
15 *eral Register under subsection (b), managers of*
16 *United States Government pension plans or thrift*
17 *savings plans, managers of pension plans maintained*
18 *in the private sector by plan sponsors in the United*
19 *States, and managers of mutual funds sold or distrib-*
20 *uted in the United States shall notify investors that*
21 *the funds of such investors are invested in an entity*
22 *included on the list. Such notification shall contain*
23 *the following information:*

24 (A) *The name or other identification of the*
25 *entity.*

1 (B) *The amount of the investment in the en-*
2 *tity.*

3 (C) *The potential liability to the entity if*
4 *sanctions are imposed by the United States on*
5 *Iran or on the entity.*

6 (D) *The potential liability to investors if*
7 *such sanctions are imposed.*

8 (2) *FOLLOW-UP NOTIFICATION.—*

9 (A) *IN GENERAL.—Except as provided in*
10 *subparagraph (C), in addition to the notification*
11 *required under paragraph (1), such managers*
12 *shall also include such notification in every pro-*
13 *spectus and in every regularly provided quar-*
14 *terly, semi-annual, or annual report provided to*
15 *investors, if the funds of such investors are in-*
16 *vested in an entity included on the list.*

17 (B) *CONTENTS OF NOTIFICATION.—The no-*
18 *tification described in subparagraph (A) shall be*
19 *displayed prominently in any such prospectus or*
20 *report and shall contain the information de-*
21 *scribed in paragraph (1).*

22 (C) *GOOD-FAITH EXCEPTION.—If, upon*
23 *publication of a list in the relevant Federal Reg-*
24 *ister under subsection (b), such managers*
25 *verifiably divest all investments of such plans or*

1 *funds in any entity included on the list and such*
2 *managers do not initiate any new investment in*
3 *any other such entity, such managers shall not*
4 *be required to include the notification described*
5 *in subparagraph (A) in any prospectus or report*
6 *provided to investors.*

7 **SEC. 207. REPORT BY OFFICE OF GLOBAL SECURITY RISKS.**

8 *Not later than 30 days after the date of publication*
9 *of a list in the relevant Federal Register under section*
10 *206(b), the Office of Global Security Risks within the Divi-*
11 *sion of Corporation Finance of the United States Securities*
12 *and Exchange Commission shall issue a report containing*
13 *a list of the United States and foreign entities identified*
14 *in accordance with such section, a determination of whether*
15 *or not the operations in Iran of any such entity constitute*
16 *a political, economic, or other risk to the United States,*
17 *and a determination of whether or not the entity faces*
18 *United States litigation, sanctions, or similar cir-*
19 *cumstances that are reasonably likely to have a material*
20 *adverse impact on the financial condition or operations of*
21 *the entity.*

22 **SEC. 208. TECHNICAL AND CONFORMING AMENDMENTS.**

23 *(a) FINDINGS.—Section 2 of the Iran and Libya Sanc-*
24 *tions Act of 1996 (50 U.S.C. 1701 note) is amended by*
25 *striking paragraph (4).*

1 (b) *DECLARATION OF POLICY*.—Section 3 of the Iran
 2 and Libya Sanctions Act of 1996 (50 U.S.C. 1701 note)
 3 is amended—

4 (1) in subsection (a), by striking “(a) *POLICY*
 5 *WITH RESPECT TO IRAN*.—”; and

6 (2) by striking subsection (b).

7 (c) *TERMINATION OF SANCTIONS*.—Section 8 of the
 8 Iran and Libya Sanctions Act of 1996 (50 U.S.C. 1701
 9 note) is amended—

10 (1) in subsection (a), by striking “(a) *IRAN*.—”;

11 and

12 (2) by striking subsection (b).

13 (d) *DURATION OF SANCTIONS; PRESIDENTIAL WAIV-*
 14 *ER*.—Section 9(c)(2)(C) of the Iran and Libya Sanctions
 15 Act of 1996 (50 U.S.C. 1701 note) is amended to read as
 16 follows:

17 “(C) an estimate of the significance of the
 18 provision of the items described in section 5(a)
 19 or section 5(b) to Iran’s ability to, respectively,
 20 develop its petroleum resources or its weapons of
 21 mass destruction or other military capabilities;
 22 and”.

23 (e) *REPORTS REQUIRED*.—Section 10(b)(1) of the Iran
 24 and Libya Sanctions Act of 1996 (50 U.S.C. 1701 note)
 25 is amended by striking “and Libya” each place it appears.

1 (f) *DEFINITIONS.*—Section 14 of the Iran and Libya
2 Sanctions Act of 1996 (50 U.S.C. 1701 note) is amended—

3 (1) in paragraph (9)—

4 (A) in the matter preceding subparagraph
5 (A), by—

6 (i) striking “, or with the Government
7 of Libya or a nongovernmental entity in
8 Libya,”; and

9 (ii) by striking “nongovernmental” and
10 inserting “nongovernmental”; and

11 (B) in subparagraph (A), by striking “or
12 Libya (as the case may be)”;

13 (2) by striking paragraph (12); and

14 (3) by redesignating paragraphs (13), (14), (15),
15 (16), and (17) as paragraphs (12), (13), (14), (15),
16 and (16), respectively.

17 (g) *SHORT TITLE.*—

18 (1) *IN GENERAL.*—Section 1 of the Iran and
19 Libya Sanctions Act of 1996 (50 U.S.C. 1701 note)
20 is amended by striking “and Libya”.

21 (2) *REFERENCES.*—Any reference in any other
22 provision of law, regulation, document, or other
23 record of the United States to the “Iran and Libya
24 Sanctions Act of 1996” shall be deemed to be a ref-
25 erence to the “Iran Sanctions Act of 1996”.

1 **TITLE III—DIPLOMATIC EF-**
2 **FORTS TO CURTAIL IRANIAN**
3 **NUCLEAR PROLIFERATION**
4 **AND SPONSORSHIP OF INTER-**
5 **NATIONAL TERRORISM**

6 **SEC. 301. DIPLOMATIC EFFORTS.**

7 (a) *SENSE OF CONGRESS RELATING TO UNITED NA-*
8 *TIONS SECURITY COUNCIL AND THE INTERNATIONAL ATOM-*
9 *IC ENERGY AGENCY.*—*It is the sense of Congress that the*
10 *President should instruct the United States Permanent*
11 *Representative to the United Nations to work to secure sup-*
12 *port at the United Nations Security Council for a resolution*
13 *that would impose sanctions on Iran as a result of its re-*
14 *peated breaches of its nuclear nonproliferation obligations,*
15 *to remain in effect until Iran has verifiably dismantled its*
16 *weapons of mass destruction programs.*

17 (b) *PROHIBITION ON ASSISTANCE TO COUNTRIES*
18 *THAT INVEST IN THE ENERGY SECTOR OF IRAN.*—

19 (1) *WITHHOLDING OF ASSISTANCE.*—*If, on or*
20 *after April 13, 2005, a foreign person (as defined in*
21 *section 14 of the Iran Sanctions Act of 1996 (50*
22 *U.S.C. 1701 note), as renamed pursuant to section*
23 *208(g)(1)) or an agency or instrumentality of a for-*
24 *ign government has more than \$20,000,000 invested*
25 *in Iran's energy sector, the President shall, until the*

1 *date on which such person or agency or instrumen-*
2 *talities of such government terminates such investment,*
3 *withhold assistance under the Foreign Assistance Act*
4 *of 1961 (22 U.S.C. 2151 et seq.) to the government of*
5 *the country to which such person owes allegiance or*
6 *to which control is exercised over such agency or in-*
7 *strumentality.*

8 (2) *WAIVER.—Assistance prohibited by this sec-*
9 *tion may be furnished to the government of a foreign*
10 *country described in subsection (a) if the President*
11 *determines that furnishing such assistance is impor-*
12 *tant to the national security interests of the United*
13 *States, furthers the goals described in this Act, and,*
14 *not later than 15 days before obligating such assist-*
15 *ance, notifies the Committee on International Rela-*
16 *tions of the House of Representatives, the Committee*
17 *on Foreign Relations of the Senate, the Committee on*
18 *Appropriations of the House of Representatives, and*
19 *the Committee on Appropriations of the Senate of*
20 *such determination and submits to such committees a*
21 *report that includes—*

22 (A) *a statement of the determination;*

23 (B) *a detailed explanation of the assistance*
24 *to be provided;*

1 (C) the estimated dollar amount of the as-
 2 sistance; and

3 (D) an explanation of how the assistance
 4 furthers United States national security inter-
 5 ests.

6 **SEC. 302. STRENGTHENING THE NUCLEAR NONPROLIFERA-**
 7 **TION TREATY.**

8 (a) *FINDINGS.*—Congress finds the following:

9 (1) *Article IV of the Treaty on the Non-Prolifera-*
 10 *tion of Nuclear Weapons (commonly referred to as the*
 11 *“Nuclear Nonproliferation Treaty” or “NPT”)* states
 12 *that countries that are parties to the Treaty have the*
 13 *“inalienable right . . . to develop research, production*
 14 *and use of nuclear energy for peaceful purposes with-*
 15 *out discrimination and in conformity with articles I*
 16 *and II of this Treaty.”.*

17 (2) *Iran has manipulated Article IV of the Nu-*
 18 *clear Nonproliferation Treaty to acquire technologies*
 19 *needed to manufacture nuclear weapons under the*
 20 *guise of developing peaceful nuclear technology.*

21 (3) *Legal authorities, diplomatic historians, and*
 22 *officials closely involved in the negotiation and ratifi-*
 23 *cation of the Nuclear Nonproliferation Treaty state*
 24 *that the Treaty neither recognizes nor protects such a*
 25 *per se right to all nuclear technology, such as enrich-*

1 *ment and reprocessing, but rather affirms that the*
 2 *right to the use of peaceful nuclear energy is quali-*
 3 *fied.*

4 *(b) DECLARATION OF CONGRESS REGARDING UNITED*
 5 *STATES POLICY TO STRENGTHEN THE NUCLEAR NON-*
 6 *PROLIFERATION TREATY.*—Congress declares that it should
 7 *be the policy of the United States to support diplomatic*
 8 *efforts to end the manipulation of Article IV of the Nuclear*
 9 *Nonproliferation Treaty, as undertaken by Iran, without*
 10 *undermining the Treaty itself.*

11 ***TITLE IV—DEMOCRACY IN IRAN***

12 ***SEC. 401. DECLARATION OF CONGRESS REGARDING UNITED*** 13 ***STATES POLICY TOWARD IRAN.***

14 *(a) IN GENERAL.*—Congress declares that it should be
 15 *the policy of the United States to support independent*
 16 *human rights and peaceful pro-democracy forces in Iran.*

17 *(b) RULE OF CONSTRUCTION.*—Nothing in this Act
 18 *shall be construed as authorizing the use of force against*
 19 *Iran.*

20 ***SEC. 402. ASSISTANCE TO SUPPORT DEMOCRACY IN IRAN.***

21 *(a) AUTHORIZATION.*—

22 *(1) IN GENERAL.*—The President is authorized to
 23 *provide financial and political assistance (including*
 24 *the award of grants) to foreign and domestic individ-*
 25 *uals, organizations, and entities that support democ-*

1 *racy and the promotion of democracy in Iran. Such*
2 *assistance may include the award of grants to eligible*
3 *independent pro-democracy radio and television*
4 *broadcasting organizations that broadcast into Iran.*

5 (2) *LIMITATION ON ASSISTANCE.—In accordance*
6 *with the rule of construction described in subsection*
7 *(b) of section 401, none of the funds authorized under*
8 *this section shall be used to support the use of force*
9 *against Iran.*

10 (b) *ELIGIBILITY FOR ASSISTANCE.—Financial and po-*
11 *litical assistance under this section may be provided only*
12 *to an individual, organization, or entity that—*

13 (1) *officially opposes the use of violence and ter-*
14 *rorism and has not been designated as a foreign ter-*
15 *rorist organization under section 219 of the Immigra-*
16 *tion and Nationality Act (8 U.S.C. 1189) at any time*
17 *during the preceding four years;*

18 (2) *advocates the adherence by Iran to non-*
19 *proliferation regimes for nuclear, chemical, and bio-*
20 *logical weapons and materiel;*

21 (3) *is dedicated to democratic values and sup-*
22 *ports the adoption of a democratic form of govern-*
23 *ment in Iran;*

24 (4) *is dedicated to respect for human rights, in-*
25 *cluding the fundamental equality of women;*

1 (5) *works to establish equality of opportunity for*
2 *people; and*

3 (6) *supports freedom of the press, freedom of*
4 *speech, freedom of association, and freedom of reli-*
5 *gion.*

6 (c) *FUNDING.—The President may provide assistance*
7 *under this section using—*

8 (1) *funds available to the Middle East Partner-*
9 *ship Initiative (MEPI), the Broader Middle East and*
10 *North Africa Initiative, and the Human Rights and*
11 *Democracy Fund; and*

12 (2) *amounts made available pursuant to the au-*
13 *thorization of appropriations under subsection (g).*

14 (d) *NOTIFICATION.—Not later than 15 days before each*
15 *obligation of assistance under this section, and in accord-*
16 *ance with the procedures under section 634A of the Foreign*
17 *Assistance Act of 1961 (22 U.S.C. 2394–l), the President*
18 *shall notify the Committee on International Relations and*
19 *the Committee on Appropriations of the House of Rep-*
20 *resentatives and the Committee on Foreign Relations and*
21 *the Committee on Appropriations of the Senate. Such noti-*
22 *fication shall include, as practicable, the types of programs*
23 *supported by such assistance and the recipients of such as-*
24 *sistance.*

1 (e) *SENSE OF CONGRESS REGARDING DIPLOMATIC AS-*
2 *SISTANCE.—It is the sense of Congress that—*

3 (1) *contacts should be expanded with opposition*
4 *groups in Iran that meet the criteria under subsection*
5 *(b);*

6 (2) *support for a transition to democracy in*
7 *Iran should be expressed by United States representa-*
8 *tives and officials in all appropriate international*
9 *fora;*

10 (3) *efforts to bring a halt to the nuclear weapons*
11 *program of Iran, including steps to end the supply of*
12 *nuclear components or fuel to Iran, should be intensi-*
13 *fied, with particular attention focused on the coopera-*
14 *tion regarding such program—*

15 (A) *between the Government of Iran and the*
16 *Government of the Russian Federation; and*

17 (B) *between the Government of Iran and in-*
18 *dividuals from China and Pakistan, including*
19 *the network of Dr. Abdul Qadeer (A. Q.) Khan;*
20 *and*

21 (4) *officials and representatives of the United*
22 *States should—*

23 (A) *strongly and unequivocally support in-*
24 *digenous efforts in Iran calling for free, trans-*
25 *parent, and democratic elections; and*

1 (B) draw international attention to viola-
2 tions by the Government of Iran of human
3 rights, freedom of religion, freedom of assembly,
4 and freedom of the press.

5 (f) *AUTHORIZATION OF APPROPRIATIONS.*—There is
6 authorized to be appropriated to the Department of State
7 such sums as may be necessary to carry out this section.

8 **SEC. 403. WAIVER OF CERTAIN EXPORT LICENSE REQUIRE-**
9 **MENTS.**

10 The Secretary of State may, in consultation with the
11 Secretary of Commerce, waive the requirement to obtain a
12 license for the export to, or by, any person to whom the
13 Department of State has provided a grant under a program
14 to promote democracy or human rights abroad, any item
15 which is commercially available in the United States with-
16 out government license or permit, to the extent that such
17 export would be used exclusively for carrying out the pur-
18 poses of the grant.

Union Calendar No. 226

109TH CONGRESS
2^D Session

H. R. 282

[Report No. 109-417]

A BILL

To hold the current regime in Iran accountable for its threatening behavior and to support a transition to democracy in Iran.

APRIL 25, 2006

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed